



Deskclodge
Belvedere House
Basing View
Basingstoke,
RG21 4HG

kevin.travers@enterprisem3.org.uk



Paul Maynard MP
Parliamentary Under Secretary of State
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

BY EMAIL

25th October 2019

Dear Mr Maynard,

Heathrow Southern Rail Access

I am writing to you on behalf of the Enterprise M3 Local Enterprise Partnership the Hampshire Chambers of Commerce and Surrey Chambers of Commerce as champions of local business to encourage you to use your new responsibilities to bring forward the delivery of the proposed Southern Rail Link to Heathrow as soon as possible. We have also engaged with Solent LEP who similarly share our aspirations to see the Southern Rail Link come forward as soon as possible.

We welcome your appointment as Minister and in particular that your portfolio covers both Heathrow Expansion and Southern Rail Access in the Department. We believe that bringing accountability for both schemes together for the first time offers a significant opportunity to progress their delivery quickly.

Enterprise M3 LEP and the Chambers are strong supporters of southern rail access to Heathrow. Improved connectivity, coupled with enhanced aviation capacity will serve to enable local, regional and national economic growth, and market competitiveness. We are however frustrated by the speed of progress of the scheme.

The LEP has long identified the key role of Heathrow in supporting our economy. A successful Heathrow Airport is crucial for the EM3 economy as a gateway to international markets. Enterprise M3 hosts the largest number of foreign owned companies in the UK, outside of London, with approximately 1000, attracting 47 successes in terms of Foreign Direct investment over one year (2018/19). Locally, nearly 10,000 Enterprise M3 LEP area residents work at Heathrow, and with additional jobs created with the proposed expansion, this could rise to 25,000 jobs.

Through our emerging Local Industrial Strategy, we are looking at how we can support and capitalise on the economic opportunities provided for the Enterprise M3 Area through the enhanced role of Heathrow operating as Britain's Global Gateway.

Underpinning this is the need for fast, reliable connectivity to Heathrow from the Enterprise M3 area in order to maintain locational advantage and ensure the benefits of proximity to Heathrow are fully realised. To achieve this there is an urgent need for a firm commitment to strategic transport investment over and above Heathrow Airport's immediate needs. The realisation of improved Southern rail access to Heathrow is key to this.

Additional growth at Heathrow also presents significant environmental risks. It is critically important that viable public transport alternatives are put in place to enable access to and from Heathrow Airport by other means than the car. Sustainable transport solutions, such as southern rail access, have a key role in ensuring Heathrow Expansion does not have a negative impact on the government meeting the national carbon reduction targets. The carbon reduction measures contained in the current expansion proposal are not ambitious enough and need to be strengthened, particularly in relation to surface access to the airport.

We are supportive of the Department's aspiration for close private sector involvement in the development and delivery of a new southern rail link to Heathrow Airport. We believe this offers a real opportunity to deliver a scheme quickly, more efficiently and offering better value for money than through the traditional process led by Network Rail.

As highlighted earlier, the LEP and Chambers are frustrated by the speed of progress of the scheme, following the market sounding exercise carried out last year. Whilst we appreciate that there was little appetite from the private sector to fully deliver and operate a southern rail access without any Government support, there was nevertheless significant enthusiasm and funding on offer from the private sector, were Government able to offer commitment in terms of future operations.

Whilst we welcome the draft strategic objectives that are currently being consulted on as the basis for assessing the relative merits of different scheme proposals, we do not see these as fundamentally different to those identified previously and remain concerned that momentum for the scheme is being lost. What we would have expected by now was a firm commitment by the Department to a formal assessment of the proposals that have been put forward, building on your strategic aims for the scheme.

We are concerned that with the slow progress in taking the scheme forward, private sector promoters are not going to be able to fund their activity indefinitely, without a clear indication from Government that you are committed to delivering this infrastructure quickly. We appreciate that there needs to be a transparent process but would suggest that you invite scheme promoters to put proposals forward now and commit to assessing them so that there is clarity on your favoured approach and schemes you consider viable.

You will be aware that the Airports National Policy Statement requires southern rail access to commence operations as soon as reasonably practicable after a new runway has opened. The Department's actions thus far haven't really been in accordance with the NPS's requirement for timeliness, and we hope that you can use your combined responsibilities to remedy this.

We are also mindful that the Southern Rail Access should not be inextricably linked with the Expansion proposals. The case for Southern rail access has been more than clearly made on the needs of a two-runway airport, a view endorsed by the Airports Commission and the previous Secretary of State. Implementation should therefore not be delayed should there be any delays to expansion.

Notwithstanding this the LEP believes that Heathrow Airport Limited (HAL) should be making a significant contribution to their costs, reflecting the extent to which they benefit. It is therefore particularly surprising that HAL do not have any kind of preferred Southern Rail Scheme. Given some of the proposals offer very different sorts of connectivity to the airport, we would expect HAL to be leading the way in promoting a scheme that HAL feels best suits the needs of the airport. It is disappointing that despite the depth of data and analysis available, Heathrow are not able to offer their own view on the type of scheme Southern Rail needs to be.

The case for HAL making a significant contribution to the costs is particularly clear when you factor in the proposed Vehicle Access Charge, which stands to bring in significant funding with no firm commitment from HAL that this will be hypothecated to support transport infrastructure. Furthermore, if there is no southern rail access then businesses in Hampshire and Surrey will have to carry on driving to Heathrow as there will be no reasonable alternative. However, in doing so they will from 2026 become liable to pay the Vehicle Access Charge for every visit – possibly of £50 by 2040. This will erode the benefits and incentives which businesses would otherwise gain from expansion.

In conclusion we therefore urge you to use your unique position as the Minister responsible for both Heathrow expansion and the Heathrow rail access programme, to bring forward southern rail access with pace and acceleration to help ensure that the local and national economy can maximise the benefits that proximity to Heathrow as a Global gateway offers. Enterprise M3 LEP, Hampshire Chambers of Commerce and Surrey Chambers of Commerce and the businesses we represent are able and willing to help support this process in any way we can.

Yours sincerely

A handwritten signature in black ink, appearing to be 'DA' followed by a flourish.

Dave Axam
Chairman Enterprise M3 LEP

A handwritten signature in black ink, appearing to be 'Louise Punter'.

Louise Punter, Chief Executive Officer, Surrey Chambers of Commerce

A handwritten signature in black ink, appearing to be 'Ross McNally'.

Ross McNally, Interim CEO/Executive Chair Hampshire Chamber of Commerce